

EXHIBIT “C”

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Page 1	Page 3
IN THE FEDERAL COURT OF THE MIDDLE DISTRICT OF ALABAMA NORTHERN DIVISION	1 offered in evidence, or prior thereto 2 In accordance with Rule 5(d) of the 3 Alabama Rules of Civil Procedure, as amended, 4 effective May 15, 1988, I, April R. Bendinger, 5 am hereby delivering to MR. HARRY HALL the 6 original transcript of the oral testimony taken 7 January 25, 2007, along with exhibits.
CIVIL ACTION NUMBER 2:06CV 377-WKW	8 Please be advised that this is the same 9 and not retained by the Court Reporter, nor 10 filed with the Court
PIONEER SERVICES, INC., Plaintiff, vs AUTO OWNERS INSURANCE COMPANY, Defendant	11 12 13 14
VIDEO TAPE DEPOSITION TESTIMONY OF: BILL REAVES	15 16 17 18 19
January 25, 2007 10 a m	20 21 22 23
COURT REPORTER: APRIL R. BENDINGER, CSR	
Page 2	Page 4
1 S T I P U L A T I O N	1 I N D E X
2 IT IS STIPULATED AND AGREED by and	2
3 between the parties through their respective	3 EXAMINATION BY: PAGE
4 counsel that the deposition of BILL REAVES may	4 Mr Hall 25
5 be taken before April R. Bendinger, Notary	5 Certificate 280
6 Public, State at Large, at the Law Offices of	6
7 Morrow, Romine & Pearson, 122 South Hull Street,	7
8 Montgomery, Alabama 36103, on January 25, 2007,	8 INDEX OF EXHIBITS
9 commencing at approximately 10 a m.	9
10 IT IS FURTHER STIPULATED AND AGREED	10 PX-10 (File) 55
11 that the signature to and the reading of the	11
12 deposition by the witness is waived, the	12
13 deposition to have the same force and effect as	13
14 if full compliance had been had with all laws	14
15 and rules of Court relating to the taking of	15
16 depositions.	16
17 IT IS FURTHER STIPULATED AND AGREED	17
18 that it shall not be necessary for any	18
19 objections to be made by counsel to any	19
20 questions, except as to form or leading	20
21 questions and that counsel for the parties may	21
22 make objections and assign grounds at the time	22
23 of trial or at the time said depositions is	23

1 (Pages 1 to 4)

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Page 157		Page 159
1	A Eight, maybe ten hours.	1 A The loss notices?
2	Q Any damage to your house?	2 Q Yes, sir
3	A No	3 A Yes
4	Q Do you recall how many claims you	4 Q How? What do you do?
5	had come in as a result of Ivan?	5 A When they're returned to us and a
6	A No, I do not	6 claim is being made, we review the claim,
7	Q Was it more than 100?	7 determine which adjuster -- adjusting firm it's
8	A There were thousands of claim that	8 assigned to, and put a reserve and open the
9	came in	9 coverages.
10	Q For territory four?	10 Q Okay Are the claims somehow
11	A The claims aren't assigned to a	11 tracked by your territory? Is there a way to
12	specific territory during a storm situation	12 see how many came out of a county or a territory
13	Q I guess what I'm asking: Within	13 or a given area?
14	territory four, do you have an idea of how many	14 A I don't know if there is or not.
15	claims were made for damages from Ivan?	15 I don't know.
16	A Hundreds.	16 Q Are the claim numbers that are
17	Q How do they get assigned out under	17 assigned -- is there a formula for how that
18	a situation where you've got that many claims	18 claim number is assigned? Does one part of it
19	coming in? Is it any different than the normal	19 mean territory four, one part means what year it
20	way they get assigned to you?	20 came in or something like that?
21	A They're assigned to an independent	21 A The last digits on the claim
22	adjuster A DO inspects the damages	22 number indicate the year that the claim was
23	Q How are those independent	23 reported
Page 158		Page 160
1	adjusters selected?	1 Q Turn over to the front of Exhibit
2	A It's usually predetermined that a	2 10 for me. And that would be that dash 04;
3	certain adjuster -- adjusting firm will handle a	3 right?
4	certain county or a certain territory.	4 A That's correct
5	Q They get contacted right after the	5 Q Okay. The rest of the numbers, do
6	storm, I assume; is that right?	6 they mean anything to you?
7	A Yes	7 A 37 is the branch number, which is
8	Q In our depositions we took earlier	8 the Montgomery branch
9	this month, South Central Agency described a	9 Q What about the 4873?
10	packet of loss claim forms that are sent	10 A That's the claim -- the internal
11	prepared to them with all of their insureds'	11 guts of the claim number
12	names and information on them Are you familiar	12 Q Is that sequential? Do those go
13	with that practice?	13 in order?
14	A It's called a preprinted loss	14 A They're in order
15	notice	15 Q So that's the 4,873rd claim for
16	Q And the preprinted loss notice --	16 areas 37 in the year 2004?
17	are you involved in getting those to the agents	17 A That's correct
18	in your territory?	18 Q Okay Thank you
19	A No, I'm not	19 MR PEARSON: Let me put something
20	Q Does it happen automatically?	20 on the record I think that actual page is Bate
21	A It's done at corporate	21 stamped AO 72 Just for the record, it's not an
22	Q Do you help process those in any	22 Auto Owners page, but a page run by my
23	way?	23 secretary.

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Page 169

1 that's stamped across the top?
 2 A Yes, it is.
 3 Q From that, would you agree that
 4 that document was delivered to Auto Owners on
 5 September 17, 2004?
 6 A I can't say that it was or was
 7 not.
 8 Q How would you find out?
 9 A You may could look in the computer
 10 system and see when the claim was set up.
 11 Q All right. Well --
 12 A The reason I'm saying that is I
 13 don't know if the date -- we'd just received a
 14 new fax machine, so I don't know if the date had
 15 been set in the machine or not at this time.
 16 That machine came in within a day or two of
 17 Hurricane Ivan. The old machine was getting
 18 old, and we knew we would soon be getting a lot
 19 of losses. So I can't verify the date -- that
 20 the date was set correct in that.
 21 Q Is there anything in the claims
 22 file that you could look at to determine the
 23 date that the file got set up or the claim was

Page 171

1 Q Did you review it ever?
 2 A Yes, I did.
 3 Q What did you do with it when you
 4 reviewed it?
 5 A I just looked at it to see what
 6 was claimed as damaged on it and what the
 7 coverages were.
 8 Q And how do you see what was
 9 claimed of damage? Are you saying look to see
 10 if the building is damaged or it's a contents
 11 claim? Is there more detail to this than these
 12 two pages?
 13 A That's all there is. There's a
 14 general description in the top --
 15 Q Oh, I see.
 16 A -- where they list a little more
 17 specific than building and contents, and none,
 18 light, medium, and heavy damages
 19 Q Was the damage for both of the
 20 buildings under this policy indicated as medium?
 21 A Yes, they were.
 22 Q Were the contents damage for both
 23 of those noted as medium?

Page 170

1 reported?
 2 A I don't know of anything. There
 3 may be something in there I don't know.
 4 Q All right. What date do you think
 5 that the claim was reported?
 6 A It was probably reported on the
 7 17th.
 8 Q Okay. Do you have any reason to
 9 believe it wasn't report on the 17th?
 10 A I don't know of anything that
 11 would make me think that it was not reported at
 12 the time.
 13 Q Certainly wasn't reported before
 14 then because it didn't happen until the 16th, at
 15 night?
 16 A I would think that would be
 17 accurate.
 18 Q All right. Did you ever talk to
 19 Ashley Sasser about this catastrophe loss
 20 notice?
 21 A No, I didn't.
 22 Q Did you review it?
 23 A Not on the 17th.

Page 172

1 A They were.
 2 Q All right. When was the next time
 3 something happened on this claim after this loss
 4 notice was faxed up on the 17th of September?
 5 A It was assigned shortly after to
 6 GAB.
 7 Q All right.
 8 A In Mobile.
 9 Q Why was GAB assigned this file?
 10 Any idea?
 11 A They were assisting us in handling
 12 the overwhelming amount of claims that we
 13 received.
 14 Q Did Auto Owners use anybody
 15 besides GAB Robbins?
 16 A Yes, we did.
 17 Q Who else?
 18 A Catastrophe Specialists, or CSI, I
 19 think, is the abbreviation.
 20 Q All right. Do you know when
 21 something was done by GAB Robbins or when the
 22 next action was taken? After the claim form was
 23 faxed in on the 17th and was then assigned

43 (Pages 169 to 172)